

No. 14711.

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

THE COLEMAN COMPANY, INC., a corporation,

Appellant,

vs.

HOLLY MANUFACTURING COMPANY, a corporation,

Appellee.

DEFENDANT-APPELLANT'S REPLY BRIEF.

FILED

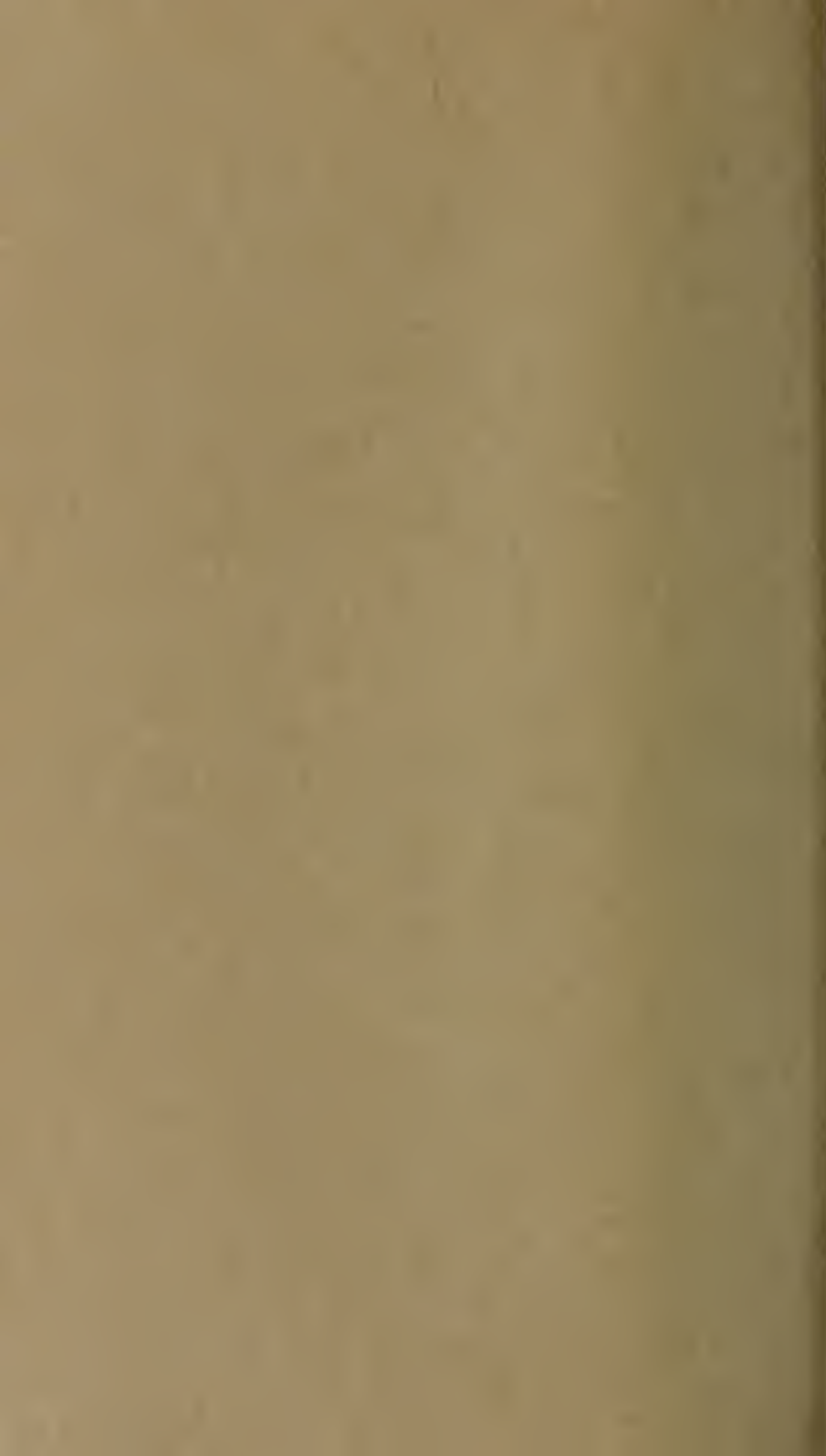
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LYON & LYON,

811 West Seventh Street,
Los Angeles 17, California,

Attorneys for Defendant and Appellant.

PAUL P. O'BRIEN, CLERK



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The brief for Plaintiff-Appellee does not take issue with any substantial factual matters presented in the statement of the case in the opening brief for Defendant-Appellant. It does, however, add certain new issues to the facts as set forth in Appellee's Opening Brief. These facts are:

1. That Appellant is asking for a trial *de novo* and asking this court to pass on the credibility of witnesses;
2. That prior to the alleged invention of Hollingsworth, *et al.*, there was poor efficiency and hot wall problems in the gas heater industry that were solved by the patent in suit;
3. That the alleged invention of the patent in suit enjoyed immediate and marked commercial success;

4. That defendants engineers admitted that the patent in suit was infringed by defendants accused devices, and;
5. That defendants counsel admitted at the trial that there was infringement of the patent in suit.

The Judgment of the District Court Is Not Supported by the Findings of Fact.

The judgment of the District Court has no foundation. This judgment was made on entirely insufficient findings of fact. These findings merely set forth the problems to be solved, that the patent is valid and that it is infringed [Findings of Fact, 9-19, R. 21-24].

As this court and the United States Supreme Court have said, to determine the validity of a patent the court must decide what was patented and how that patented structure differed from the prior art. This the District Court failed to do.

The only evidence submitted by Plaintiff-Appellee upon this issue was the patent in suit [Ex. 1]. The only evidence submitted as to the prior art was the admissions of the patentee, Hollingsworth, and the prior art patents [Ex. C, I, & R]. There was no dispute of facts and the "truth or falsity of the testimony" was not before the District Court. (*Wire Tie Mach. Co. v. Pacific Box Corporation*, 102 F. 2d at 552 and *United States v. Esnault-Pelterie*, 303 U. S. 26 at 38.)

Appellee's brief does not assert in any way what comprises the invention of the patent in suit. It merely states that something allegedly discovered by the Patentees overcame certain deficiencies in prior wall heaters. (App. Br. pp. 3-6.) As there are no findings or indicia of what the

District Court determined the invention was or how it differed from the prior art there is no basis for the judgment.

This court to decide the issues raised by this appeal has received no guide upon which to determine the correctness or error of the District Court's Judgment and should review the undisputed evidence to determine what is the invention, if any, how that invention differs from the prior art and whether or not that invention was incorporated in Defendant's heaters. (*Hycon Manufacturing Company v. H. Koch & Sons*, 219 F. 2d 356; *Wire Tie Mach. Co. v. Pacific Box Corporation*, *supra*.)

The Patent in Suit Does Not Teach Anything New That Solved the Problems of the Art.

Appellee's brief (pp. 3-7) dwells for more than four pages on the problems confronting the gas wall heater industry. With the facts set forth therein the Appellant does not quarrel. It is a fact that in all wall heaters the problems of thermal efficiency and excessive wall temperature are present. However, the Court's attention is called to the fact that nowhere in Appellee's brief does he set forth how that problem was solved by the patent in suit. Appellee merely states that it was solved. Nowhere in Appellee's brief does he set forth what was new in the patent in suit that solved this problem. These two problems were and always are present in all types of heaters. They are solved for each heater by different methods. Some heaters by confining the input or size of the fire and others by using jackets around the flues carrying off the gases of combustion to save some of the heat from these gases and to reduce wall temperatures [Ex. C, I & R]. A discussion of these prior art patents is given on

pages 8, 28, 29, 40 and 41 of Appellant's Opening Brief. It is not believed necessary to repeat a description of what is shown in these patents and how these patents achieved efficiency of wall cooling.

The only hint given by Appellee as to what was new in the patent in suit was the testimony of the inventor Hollingsworth concerning the difference in sizes between the upper and lower radiators to raise the efficiency and lower the wall temperatures [R. 122-134]. The patent in suit describes that this difference is "chosen so that as a conduit it will just handle the maximum products of combustion to be conducted in the first radiator with scarcely any dilution through the draft hood." [Col. 4, lines 22-25.] The claims of the patent in suit in describing this part of the patented heater say "the horizontal cross section of the second radiator being substantially smaller than that of the first radiator" (Claim 1).

For a patent to be valid the law requires an inventor to particularly point out and distinctly claim his invention (35 U. S. C. 112). This is not done by saying that the second radiator must be smaller than the first. This is evident when it is noticed that the inventor admits that prior Coleman heaters had flues or radiators in which the upper or second was smaller than the lower or first. The lower radiator had a cross-sectional area of 17.83 square inches (B. 97); the flue or second radiator a cross-sectional area of 13.1 square inches [R. 489]. It should be remembered that in all ways the lower heater in Defendant's alleged infringing devices was the same as the prior Defendant's heater Model 60 [R. 159-160; 321-323]. This Model 60 of Coleman then meets all the requirements of Claim 1, as to difference in size. It had a large first radiator, 17.83 square inches. It had a

smaller second radiator, 13.1 square inches. Claim 1. does not point out any difference between this prior heater and the purported invention.

Appellee contends that a patent is sufficiently definite if a person can construct and operate the device described therein. *This is not the test for definiteness.* The test is, does it point out a difference from prior devices? How can any court say that a device infringes a patent when the claims say "smaller" and the prior art had the second radiator smaller than the first. The inventor has not complied with the law and particularly pointed out and distinctly claimed his invention (35 U. S. C. 112). See also: *Farmers Cooperative Exchange v. Turnbow*, 111 F. 2d 728.

Commercial Success.

Plaintiff-Appellee's only test of invention and the only test used by the lower court was whether or not the heater constructed by the Appellee enjoyed immediate and marked commercial success. The District Court found that the heater had enjoyed such commercial success [Find. of Fact 32, R. 27]. Commercial success is not proof of invention. Only when there is doubt as to whether the alleged novelty is that which could be accomplished by a skilled craftsman or required true invention, is commercial success any test. There was nothing new in using an economizer or secondary heater exchange above a primary heater (App. Op. Br. pp. 26-30). The combination of a primary heater and a secondary heater was old. There is no place in this case for the doctrine of commercial success.

. . . "Where, as here, however, invention is plainly lacking, commercial success cannot fill the void. . . .

Commercial success is really a makeweight where the patentability question is close . . . (*Jungersen v. Ostby and Barton Co.*, 335 U. S. 560 at 567)."

Where a lack of invention has been shown, commercial success has no significance. (*Kugelman v. Sketchley*, 133 F. 2d 426 at 428.)

In the present case the Plaintiff has not pointed out to this court what was the invention that was patented. The District Court made no finding of fact as to what this invention comprised. The fact that the commercial heater manufactured by the Patentee had commercial success is not a proof of any invention nor of what that invention comprised.

. . . "Nor is the fact that there is widespread use of the elements of the patented device as combined therein conclusive of its patentable novelty—it may be merely evidence of utility." (*Schick Service v. Jones*, 173 F. 2d 969 at 974.)

Exhibit Y Is Not an Admission of Infringement.

Appellee's charge that Defendant's Chief Engineer admitted infringement of the patent in suit (Br. for Pltf.-App. p. 46). Exhibit 4 [R. 734] has nothing to do with the heaters held to infringe by the District Court. This exhibit refers to an experimental model which was never sold by Defendant [R. 332-333]. It is not disputed that Exhibit 4 was made by Defendant's Engineer. He was not referring to the heaters charged to infringe. He was describing an experimental model made by Coleman to test the patent in suit. Exhibit Y shows that this heater could not be made to work satisfactorily. It states that Defendant could not get A. G. A. approval of the heater and that

a new device would be necessary. The undisputed testimony is that this was an unsuccessful experimental heater that was never manufactured or sold.

. . . "Exhibit Y indicates that we had been unsuccessful in the experiments with the device that was similar to Holly in that it brought air into a space around the lower box at the floor, and simply allowed that air to feed up to the—through the stud space to the ventilated flue stack, and then directly into the room.

"In fact, we had the cooperation of the American Gas Association at Cleveland in an attempt to make that work in that their testing of it was not successful in our adaption of that old scheme. So we would like to— Q. (By Mr. Lyon): Mr. Kice, you failed to pass the A. G. A. test with that type of heater? A. That is right. And after we found that it was not successful, we were—we decided that there were some fundamental faults with that type of thing, anyhow, and we did not carry on, for a long period of time, attempting to make that one operate, but went to a design that would not be dependent on maintaining an unrestricted flow of unrestricted channel in the stud spaces." [R. 332-333.]

There Was No Proof of an Invention.

At the trial and in their brief Appellees ignore the legal tests of infringement. These tests are

1. What is new in the patent in suit,
2. How that new device operates, and;
3. Does the accused device incorporate the new device and operate in the same way.

To prove infringement, Appellee chose to merely read the claims of the patent in suit and apply these words to

Defendant's structure. . . . The District Court held that there was infringement because the claims read upon Defendant's heaters [Finding of Fact 28, R. 26]. A claim must not only read upon Defendant's structure but the mode of operation must be similar. Appellee in no way met this test. In fact Appellee offered no evidence that Defendant's heaters operated the same as the patent in suit.

The undisputed evidence is that Defendant-Appellant's heaters operate as efficiently whether or not the air from around the lower heater enters the economizer as if it does not [R. 344, 398, 960]. This is not disputed and is uncontrovertible evidence. The evidence is also undisputed and uncontrovertible that the heater manufactured in accordance with the patent in suit cannot be operated with the air blocked off that enters economizer from around the lower heater [Ex. U, R. 947]. In Appellee's installation instructions it is specifically set forth that this passage must not be blocked [R. 947]. This is undisputable proof that the heaters of Appellant-Appellee have a different mode of operation. One achieves its efficiency and wall cooling from air admitted directly from the room (Appellants) and the other from air coming up around the lower heater (Appellee's Patented Heater).

Even though the claims of the patent in suit read upon Appellant's heaters the substance and meaning of the claims is not incorporated in Defendant-Appellants heaters. Nothing but accidental useless leakage enters from around the lower heater. There is no infringement even though Appellant admitted that its heaters had all of the physical structure of the patent in suit because the operation of the two devices is entirely different. The patent in suit has certain openings for the passage of air and de-

scribes and claims the method of increasing efficiency and cooling the wall by passing air through these openings. Appellant's structure does not rely upon the same openings for the air that increases the efficiency of the Appellant's device and cools the wall. These openings that correspond to the openings of the patent in suit are only accidental Manufacturing tolerances [R. 308]. These openings are similar to manufacturing tolerances in Appellee's structures [R. 454]. "Infringement is not proved merely by reading a claim upon an accused device." (*McRoskey v. Braun Mattress Co.*, 107 F. 2d 143 at 147.)

The test of infringement is "if they work in substantially the same way to accomplish the same results." *Kemart Corp. v. Printing Arts Research Laboratories*, 201 F. 2d 624 at 629. Appellant's heaters do not work the same way as that of the patent in suit but work because of the air admitted directly from the room.

Conclusion.

Appellants have demonstrated to this court that the judgment of the District Court is entirely unsupported by the findings. The District Court did not find what was the invention of the patent in suit. It did not find that invention differed from the prior art. It did not find that this invention was incorporated in Defendant's heaters for the same purpose and to operate in the same manner to accomplish the same result. The Judgment of the District Court being unsupported by the findings it should be reversed.

Respectfully submitted,

LYON & LYON,

By FREDERICK W. LYON,

Attorneys for Defendant and Appellant.

